



The Different Impacts of Social and Economic Developments on Men's and Women's Labor Force Participation in Korea

The complex dynamics of collective economic and social change following financial or economic shocks affect men and women in the labor market differently. Aggregate statistics do not reflect the cultural, legal, and institutional differences faced by men and women, however simple analysis of gender-disaggregated data reveals distinct and important differences in men's and women's experiences.

This note uses current data from Korea to show how societal and cultural constraints influence men's and women's labor force participation and work lifecycle. The impacts of collective economic and social change on men and women in the labor market are varied and distinct. Analysis reveals that aggregate statistics such as male-female unemployment figures are not directly comparable, because they do not capture the changes within the labor force nor do they reflect the cultural, legal and institutional obstacles facing men and women. Therefore aggregate statistics do not genuinely reflect gender dynamics in access to and inside the labor market. However, an analysis of readily available gender disaggregated statistics concerning male and female entry into, position within, and exit from the labor force, provides important insights.

Confucian traditions and a patriarchal family system create a foothold for gender discrimination that penetrates society and the economy, and heavily influences the labor market. Confucianism is a hierarchical ideology ordering all societal relations, from parent/child through husband/wife and ruler/subject. A woman's role is defined around Confucianism's "three obediences": that a young girl should obey her father; a married woman should obey her husband; and a widow, her son. Consequently, a woman's identity is not linked as much to her educational or professional abilities as to her position within the family.¹

A recent household survey substantiates this. Respondents were asked to agree or disagree with the statement, "It is better for everyone if men earn a living and women keep house." In Korea, 82% of men and 71% of women agreed with the statement. In comparison, only 36% of both men and women in the United States were in agreement.²

Legally, Korean men and women are guaranteed equal rights in the workplace under the Equal Employment Opportunity Act of 1988. Nevertheless, the labor market is

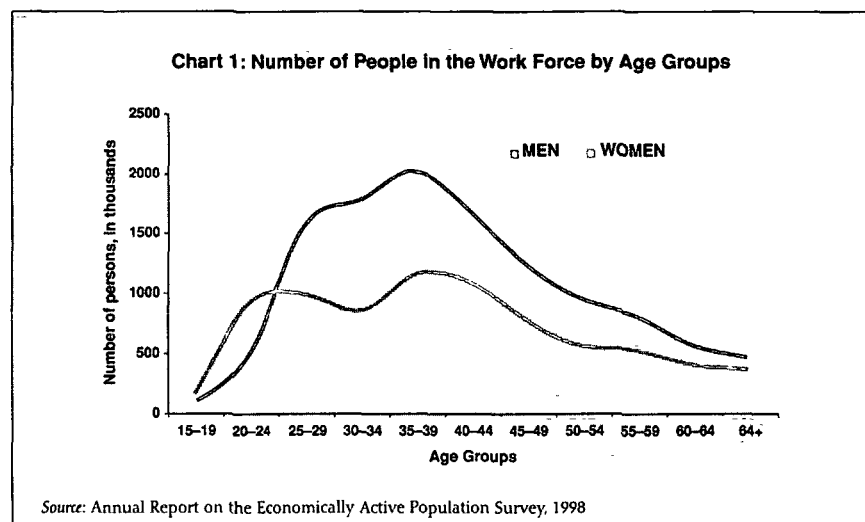
both male-dominated and male-oriented, leaving little opportunity for women to gain promotion, and at considerable risk of unstable employment, sexual harassment and sexual discrimination in hiring practices. Government measures to target these obstacles include the Infant and Child Care Act (1991) to ensure child-care facilities, the Gender Discrimination Prevention and Relief Act (1999) to redress cases of gender discrimination and the Women Enterprise Assistance Act (1999) to promote women's businesses.³

A combination of other factors including the high cost to employers of hiring and retaining women makes it difficult for women to compete on an equal footing. The zeal to address the needs of

¹ Kim, Yung-Chung, ed. and trans. 1979. *Women of Korea: A History from Ancient Times to 1945*. Seoul: Ewha Women's University Press.

² Inoue, Shunichi. 1998. Family Formation in Japan, South Korea, and the United States: An Overview. In Karen Mason et al. *"The Changing Family in Comparative Perspective: Asia and the United States."*

³ Hahn, Minna. 1999. Korea Country Gender Profile. East Asia and Pacific Region, Environment and Social Development Sector Unit. World Bank.

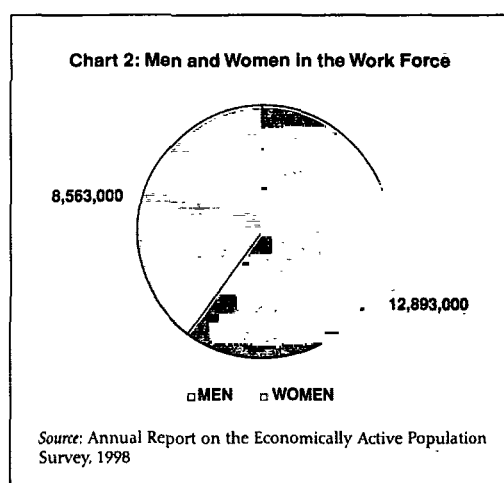


working women, through requirements such as a one year maternity leave and a monthly one day menstruation leave with full benefits and pension payments paid by the employer, may instead have become obstacles to women's equitable participation in the work force.

At the same time, poor support services continue to prevent women from assuming a place equal to men. Although the government aggressively campaigned to expand childcare facilities by increasing funding six-fold between 1991 and 1996, day care facilities remain limited and expensive, currently accommodating only 28% of the children of working women.⁴

Lifecycle participation in the labor force is different for men and women. Women enter the workforce at an earlier age than men, and leave on marriage. If they subsequently return, they lack essential work experience and therefore have lower status, are paid less, and are often in temporary employment. Men on the other hand enter the labor force later, usually with a higher degree of education and on completion of military service. They then continue to work until retirement, often within the same organization (Chart 1).

Among younger age groups, there are almost twice as many women working than men, with the reverse being the case for groups in the middle age bracket (Chart 1).



Prevailing social attitudes and poor support systems lead to different male-female working populations, with far fewer women of working age in the labor force than men: 48% of women aged 15-64 years participate in the labor force, whereas the corresponding figure for men is 76%. Consequently, women make up 41% of the total work force (Chart 2), and 69% of the people outside the work force (Chart 3).

Overall, Koreans work more hours than comparable groups in other countries. Men in particular are

expected to work long hours in order to fulfill the image of family breadwinner (Chart 4).

Excessive working hours and insecure working environments have been linked to poor health as well as high mortality rates among Korean men.⁵

Women and men also have different status and wages once inside the work force, which can be categorized in three groups (Table 1):

- self-employed;
- unpaid family workers; and
- employed workers.⁶

Most self-employed people work in agriculture, petty trade or services and are often assisted in this work by a family member on an informal (unpaid) basis. Unpaid family workers are persons who work without pay in a family farm, business, or professional practice owned or operated by a related household member. Most unpaid family workers are women. The informality of their work makes them especially vulnerable to events such as illness or death of the 'employer,' because they have no worker rights, unemployment insurance or pensions.

In 1998, 19% of the female labor force and 35% of the male labor force were self-employed. Among

⁴ Shin, Kyung-Ah. 2000. The Condition and Rights of Working Mothers in Korea. Mimeo. Paper presented at a World Bank/KIHASA-sponsored workshop on Gender and the Transition to a Knowledge-Based Economy, Seoul, March 2, 2000.

⁵ Hahn, Minna. 1999. Op. cit.

⁶ National Statistical Office. 1999. Annual Report on the Economically Active Population Survey, 1998. p.173. Seoul, Korea

Table 1: Status of workers in the workforce (%)

1998	Men	Women
Self-employed	35	19
Unpaid family worker	2	23
Employee	63	58
Total	100	100

Source: Annual Report on the Economically Active Population Survey, 1998

women, 23% worked as unpaid family workers, in most cases helping their self-employed or farming husbands. Only 2% of the male labor force falls into this category. A non-family employer provides work for the majority of both male (63%) and female workers (58%), who can be categorized into three groups:

- regular employees;
- temporary employees; and
- daily workers.⁷

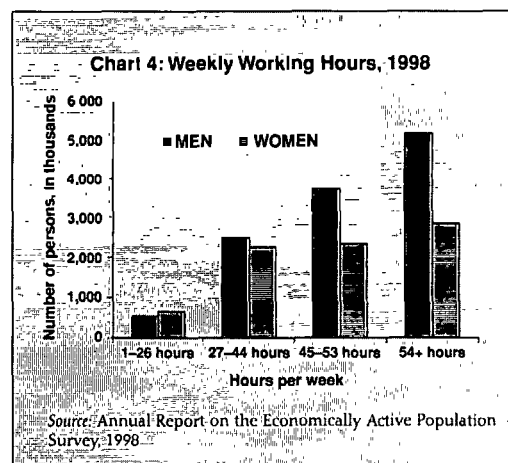
Another indicator of structural inequity is the considerable wage differential between women and men that persist even when differences in educational background are taken into account (Table 2).

In 1985 women's average wages were about 47% of men's. Despite improvements over the last fifteen years that brought their wages up to 63% of men's in 1998, this differential remains one of the most striking in the developed

world. Its disparity is particularly stark in comparison with the other OECD countries, for example in Sweden women earned 89% of men in 1998.⁸

Thus, due to gender expectations, cultural norms, and individual choice, women and men have very different workforce experiences in terms of wages, status, employment category, and number of work hours.

In consequence, when the East Asian economic and financial crisis hit, it had different impacts on men and women, even though both groups experienced increased unemployment. After years of growth in employment and reduction in unemployment, the situation was rapidly reversed (Table 3). In 1996 the unemployment rate was 2% for women and 3% for men. In 1998 it was 6% for women and 8% for men. However, these aggregate figures once again mask complex changes within the labor force.



Between 1996 and 1998, the number of unemployed women grew from 135,000 to 476,000, or 253%, compared with an increase of unemployed men from 292,000 to 983,000, or 237%. While the percentage difference may not be huge, it is important to note that the period of huge growth in unemployment for women began during 1996-1997, whereas for men it was greatest during 1997-1998. Women were thus laid off earlier than men. As a consequence of this, the Ministry of Labor created the "Policy for Women's Stable Employment" and the "Window for Reporting Discriminatory Dismissal of Women" to combat the discriminatory lay offs.⁹

⁷ Ibid.

⁸ International Labour Organization Bureau of Labour Statistics. 2001 LABORESTA database. Geneva, Switzerland

⁹ Office of Working Women's Policy, Ministry of Labor. Progress Report. 1998.

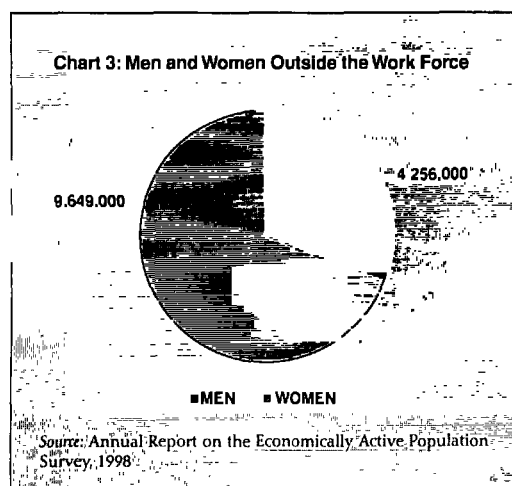


Table 2: Wage differentials 1998

	Monthly Earnings in Won		Women/Men
	Men	Women	
Average Wage Gap ^a	1,274,784	804,343	63
Middle School ^b	1,066,944	642,022	60
High School	1,153,628	763,725	66
Junior College	1,221,440	868,709	71
College or University	1,599,488	1,225,303	77

^a Korea Statistical Yearbook on Women 1998

^b Ministry of Labor

Table 3: Annual change in number of employed and unemployed (%)

	Year	1996	1997	1998
Employed	Male	1	1	-4
	Female	3	3	-7
Unemployed	Male	3	21	179
	Female	-3	53	130

Source: Annual Report on the Economically Active Population Survey, 1998

Most notably, the crisis brought change in the type of employment among formal sector workers. Overall, for both men and women, the crisis caused a reduction of 7% of total employees between 1996 and 1998. During this period men's employment status remained roughly constant but women who were regular workers experienced a drop of 7 percentage points (Table 5). This equals a reduction of 22% (Table 4).

Table 4: Change in status of employees 1996-1998 (%)

	Men	Women
Regular	-3	-22
Temporary	4	3
Daily	-10	4

Source: Annual Report on the Economically Active Population Survey, 1998

At the same time there was a significant increase in the proportion of female daily and temporary workers, at 66% of employees (Table 5). Among male employees, 35% were employed as temporary or daily workers after the crisis. Thus the crisis did not create a new regime, but rather enlarged discriminatory trends in the labor market that existed before the crisis.

wage levels. Maintaining men in regular positions while moving women into temporary work is likely to have resulted from an underlying assumption that men are the main breadwinners upholding a family's economy, and therefore should be the last ones to be laid off.

Gender sensitive labor analysis should be supported by an awareness of the different starting points and labor force experiences of men and women caused by both cultural and educational behaviors and biases. Focusing on aggregate unemployment rates alone does not capture the trends in unemployment figures and changed status within the labor force. Examination of participation and unemployment rates alone, without applying a more dynamic and detailed optic of the factors that influence labor market decisions and resultant patterns, is equivalent to not seeing the trees for the forest. Too broad a snapshot of the

This further undermining of women's status in the labor market can have long term adverse consequences, especially with regard to pensions, other benefits, promotions, and

labor market masks important details and misses the opportunity to identify measures to address gender disparities and inequality.

A closer examination of the dynamics which influence labor force participation is required in order to compare male-female statistics. These include:

- > life time labor force participation
- > status of workers
- > disparity in earnings
- > social expectations of women's and men's roles
- > the level of incentives for women to return to work following the birth of a child and the cost to employers of hiring women of reproductive age

In addition, the issue of female labor force participation should not be considered in isolation from cultural and structural gender inequalities in society. These are relevant in terms of women's and men's differential access to material opportunities and to institutional structures where policy and other decisions are made that have gender implications.

Table 5: Distribution of employees by status (%)

	Men		Women	
	1996	1998	1996	1998
Regular	67	65	41	34
Temporary	21	23	43	48
Daily	12	12	16	18
Total	100	100	100	100

Source: Annual Report on the Economically Active Population Survey, 1998

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